GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3940
ANSWERED ON:17.08.2001
TRADE TREATY WITH NEPAL
VINAY KUMAR SORAKE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether Acrylic yarn imports into India through Nepal has grown from 160 tons in 1996 to more than 12,000 tons today;

(b) whether many countries are using Nepal as a conduit to obtain duty free status to their produce, which gets no value addition in Nepal; (

(c) whether the products like Vanaspati, Copper Wire Rods, Ball Bearings etc. are also entering into India via Nepal as duty free stuff; (

(d) if so, the reasons for the retention of such concessions to Nepal after a series of anti-Indian campaigns like IA Hijack, Hrithik Roshan related anti-Indian demonstrations and of the growing presence of ISI activists are taking place in Nepal; (

(e) the date on which the free trade treaty with Nepal expires; (

(f) whether the Government would consider protecting nation`s interest over diplomatic considerations; and

(g)if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) : Import of acrylic and other synthetic yarn from Nepal to India has increased from around 3 M.T during 1996-97 to 13,252 MT., during the period April, 2000 to February, 2001.

(b) : The Indo-Nepal Treaty of Trade, as modified on 3rd December, 1996, provides that Government of India will allow access to the Indian market free of Customs Duty and quantitative restrictions for all articles manufactured in Nepal without any specified value addition in Nepal and the sourcing of raw materials used.

(c) : Representations have been received regarding excessive import of certain products including Vanaspati Oil, Copper Wire etc., from Nepal under preferential trade regime.

(d) : The Indo-Nepal Treaty of Trade has had a positive impact on bilateral trade and economic development of Nepal which has served the larger political and security interests.

(e), (f) & (g) : The current validity of the Indo-Nepal Treaty of Trade is upto December 5, 2001 with a provision that it shall be automatically extended for further periods of five years at a time, unless either of the parties gives to the other a written notice of its intention to terminate the Treaty. The interests of the Indian industry shall be kept in view during discussions, at the appropriate time, with the Nepalese Authorities.